

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on “U.S. Energy Abundance: Regulatory, Market, and Legal Barriers to Export”
June 18, 2013

(As Prepared for Delivery)

Today's hearing is entitled “U.S. Energy Abundance: Regulatory, Market, and Legal Barriers to Export.” It builds upon our previous hearings that have assessed the tremendous potential for increased American energy production, including the opportunities to expand energy exports. Today, we will look at the barriers to realizing this export potential with an eye towards lessening regulatory hurdles and expeditiously approving our export opportunities.

We all want to reduce our trade deficit and perhaps one day have a trade surplus. And America's growing energy abundance is already beginning to make this goal a reality, both by reducing the need for energy imports and by expanding exports. However, we should remain mindful that if our trading partners don't get their coal or natural gas from us, they will very likely get it from another energy-exporting nation with weaker environmental safeguards.

And we can continue to increase energy exports. We have long had an abundance of coal in this country and have exported it for many years. But growing world demand for affordable and reliable energy has led to record-setting coal exports in recent years. In 2012, the U.S. exported 125.7 million short tons of coal and EIA estimates that amount to rise to 144 million short tons by 2030. In 2011 in Kentucky alone, coal mining operations employed over 25,000 workers, and 1,760 of those jobs stemmed directly from the production of coal for export. We could continue breaking these records in the years ahead, bringing billions of dollars in revenues into the country and supporting jobs all along the supply chain from coal miners to railroad workers to dock workers.

And over the past few years we have seen a remarkable expansion of domestic natural gas production to the point that we are now the number one producer in the world. As with coal exports, natural gas exports would create jobs and economic development while strengthening our ties with energy-importing allies like Japan and India who would much rather buy from us than from Russia or Iran.

Unfortunately, those who are trying to shut down the production and use of coal and natural gas in the U.S. are attempting to do the same thing to exports. And much of their focus is on infrastructure. Not only do we need to mine the coal and drill for natural gas, but we need the transportation and pipeline systems to deliver it to the nation's port facilities. And we need to expand those port facilities to handle the growing volumes. But many of these job-creating infrastructure projects are being held up by an array of burdensome regulations, permit requirements, and legal challenges brought by litigious environmental groups. There are currently two licenses that have been approved to export LNG and 18 applications that have been filed and are pending with DOE.

For example, the growth of coal exports will necessitate the construction of new port facilities and the expansion of existing ones, which comes under the purview of the Army Corps of Engineers. The last thing we need is the kind of years-long bureaucratic delays comparable to what we have seen with Keystone XL, but the threat of such delays is very real.

LNG facilities also face a host of barriers, originating with the Natural Gas Act of 1938 and extending to more recent measures. Even beyond federal licensing issues, these projects also face the threat of litigation from activist organizations.

The reality is that market forces will determine the amount and to what extent we export our energy from the U.S. Policies that delay or prevent energy exports are detrimental to energy producing states like Kentucky, and they hurt the nation as a whole. And I might add that the environmental arguments against energy exports don't stand up to scrutiny. Instead of arbitrary and irrational barriers proposed on U.S.

exports, the U.S. can be a global energy leader by exporting affordable and reliable energy to poverty-stricken countries that would otherwise have no electricity.

I have concerns that the approval process for these export projects is not a balanced one as it clearly should be, especially in light of the opportunities before us. We need to restore that balance. I look forward to hearing the insightful testimony from our government and industry witnesses today.

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